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BIENNIAL REPORT ON THE PROGRESS MADE IN THE IMPLEMENTATION OF THE NEW DIRECTIONS STRATEGY FOR TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

SUMMARY

The present report is submitted in compliance with paragraph 19 of decision 11/1 B of 4 June 1999 adopted by the High-level Committee on the Review of Technical Cooperation among Developing Countries at its eleventh session. It examines progress made in the implementation of the new directions strategy for technical cooperation among developing countries (TCDC) during the biennium 1999-2000. Special emphasis is given to a number of key aspects of this strategy, such as the need to focus on strategic initiatives involving large numbers of developing countries, strengthen the role of pivotal countries, forge broad-based partnerships through triangular cooperation, improve knowledge-networking, and promote greater integration of technical and economic cooperation. Based on lessons learned, a number of areas of weakness are identified and measures for improvement are recommended.

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I INTRODUCTION

1. The present report on progress made in the implementation of the new directions strategy for technical cooperation among developing countries (TCDC) is submitted in accordance with decision 11/1B adopted by the High-level Committee on TCDC at its eleventh session.[1] The new directions strategy has its origin in General Assembly resolution 49/96 of 19 December 1994 in which the General Assembly requested the High-level Committee on the Review of Technical Cooperation among Developing Countries to report on new directions for TCDC that were needed to respond to the challenges faced by developing countries in the era of globalization. Accordingly, the Special Unit for TCDC of the United Nations Development Programme (UNDP), after due deliberation and wide consultations, prepared a report on a new directions strategy for TCDC that included recommendations on more than 20 specific measures to move TCDC policies and activities forward. In its resolution 50/119 of 20 December 1995, the General Assembly endorsed the recommendations on the new directions for TCDC following similar action by the High-level Committee during its ninth session. Subsequently, efforts have been made by various partners in development to implement the recommendations embodied in the new directions strategy.

2. This brief introduction is followed by an assessment of the progress that has been made in implementing the various aspects of the new directions strategy (section II). Given the extensive coverage of TCDC activities in document TCDC/12/1, many of the examples highlighted in that report are either cross-referenced or briefly reintroduced here to illustrate the developments that have been identified. Areas of weakness and recommendations for improvement constitute the focus of section III.

II IMPLEMENTATION OF THE NEW DIRECTIONS STRATEGY

3. An examination of the overall TCDC picture during the biennium 1999-2000 revealed that there was significant progress in implementing the new directions strategy. This is particularly evident in five areas: strategic orientation of TCDC activities, advancing TCDC through pivotal countries, new developments in triangular cooperation, sharing knowledge and experiences, and the integration of technical and economic cooperation among developing countries (TCDC and ECDC).

A. Strategic orientation of TCDC activities

4. The new directions strategy urged the international community to focus TCDC policies and practices on strategic interventions that are likely to have a major impact on a large number of developing countries. On the basis of priorities identified by developing countries at various forums, the report suggested further that TCDC initiatives need to address issues relating to trade and investment, debt, the environment, poverty alleviation, production and employment, macroeconomic policy coordination and aid management. In the biennium 1999-2000, efforts to adopt the recommended strategic approach on the part of the Special Unit for TCDC and other development partners are illustrated by concerted actions pertaining to globalization, private sector development and South-South cooperation in science and technology.

5. The risks of globalization exposed by such events as the financial crisis that started in Asia in 1997 prompted developing countries to turn increasingly to South-South cooperation in search of solutions to their shared concerns. This was especially apparent in their effort to design a revitalized programme of action at the first Group of 77 (G-77) South Summit, held in Havana in April 2000. The Summit, launched by the developing countries, received support from a number of multilateral, intergovernmental and non-governmental entities, including the South Centre, Third World Network, United Nations Conference on Trade and Development (UNCTAD) and UNDP. The South Centre and Third World Network, for example, played a major role in assisting the member countries of the G-77 in the identification, definition and formulation of a new development cooperation agenda for action, which was adopted by the first G-77 South Summit. UNCTAD and UNDP supported a three-year global programme to help developing countries, particularly the least developed countries, to develop their policy and institutional capacities to meet the challenges of globalization and to benefit from the new economic order.

6. The role assumed by science and technology in the emerging knowledge society underscored the strategic importance of South-South cooperation in this area during the period under review. In collaboration with the Special Unit for TCDC, the Republic of Korea hosted the High-level Forum on South-South Cooperation in Science and Technology for Development in Seoul in February 2000. To open the way for a new era of South-South scientific exchanges, policy-makers and science and technology experts from 37 countries, representing all regions, formulated the Seoul Accord on South-South Cooperation in Science and Technology for development. The main thrusts of the Accord were incorporated into the Programme of Action adopted by the South Summit.

7. Other strategic initiatives aimed at advancing private sector development through interregional exchanges. Principal among these initiatives is the Africa-Asia Business Forum (AABF), in which 230 enterprises from 25 African countries and six Asian countries participated. The initiative has not only generated concrete business and investment deals among the participating countries and firms but it has also helped to develop an effective mechanism for strengthened public-private sector collaboration in creating increased job opportunities that contribute to poverty alleviation. Similarly, 100 enterprises from a significant number of developing countries in Africa and Asia participated in the two buyers-sellers meetings supported under the ITC South-South trade promotion programme. The same approach is now being applied in the Arab States region. The Special Programme for Food Security supported by the Food and Agriculture Organization of the United Nations (FAO) assisted a large number of developing countries in their efforts to improve food production and marketing. The programme, which is currently operating in 60 countries covering all regions, has helped to create jobs and improve income levels for thousands of poor farmers in the participating countries.

8. There is no conclusive study as yet on the benefits accrued from TCDC activities involving a large numbers of developing countries and focused on the strategic issues recommended in the new directions strategy. The information gathered for the present report suggests that the implementation of the new directions strategy contributes to the efficient use of limited resources and enables groups of countries to share development experiences and create sustainable partnerships. However, most of these activities were initiated or supported by regional, intergovernmental and/or multilateral institutions since issues of a global nature, such as intra-trade and investment, external debt, environment and poverty alleviation, in general are too broad and complex for any individual developing country to initiate, support or manage under its national TCDC programme. It is therefore necessary for developing countries to pool their resources to address these issues collectively. In this respect, regional, subregional and intergovernmental groupings as well as multilateral organizations have an important role to play in catalysing and supporting such strategic TCDC initiatives.

B. Advancing TCDC through pivotal countries

9. The meeting of 23 developing countries convened by the Special Unit for TCDC at Santiago in November 1997 defined the role of TCDC pivotal countries, as previously envisioned in the new directions strategy. It was agreed that such countries, selected on the basis of having effective TCDC policies and mechanisms and a long history of assisting other developing countries, would utilize their relatively higher institutional and technical capacities to play a lead role in TCDC by sharing their resources and expertise with other partners in the developing world.[2]

10. An analysis of information gathered for this and other reports indicates that pivotal countries, particularly those at the middle-income level, have become key hubs and benefactors of TCDC. Many have designed programmes to provide technical services to partner countries and increased national budgetary allocations for this purpose. Some have expanded and streamlined their training programmes to accommodate the development needs of other developing countries. Singapore, for example, has set up programmes devoted entirely to the specific needs of select groups of countries. Similar action has been taken by Indonesia, Thailand and Tunisia. It is also worth noting that some developed countries have supported pivotal countries in concerted efforts to assist poorer countries in the South.

11. The pivotal countries in the Latin America and the Caribbean region have raised TCDC to new levels. Through an arrangement known as horizontal cooperation, participating countries in the region have jointly formulated programmes in which they both receive and provide technical assistance to one another. In other regions, countries such

as China, India, Indonesia, Malaysia, Pakistan, Thailand, Turkey and Tunisia routinely prepare their cooperation programmes in bilateral negotiations where existing TCDC and ECDC framework agreements constitute widely accepted norms to regulate such exercises. On the basis of such frameworks, these countries are now increasingly deploying TCDC missions and forming joint commissions to ensure that TCDC cooperation programmes are more demand-driven.

12. A relatively well-developed private sector, which exists in most pivotal countries, has contributed greatly to interregional exchanges such as the AABF, which promotes business-to-business linkages between the two regions. Similarly, the quantity, quality and diversity of experts in many pivotal countries energize the conceptualization and preparation of TCDC programmes to benefit groups of countries. For example, the experience and expertise in Brazil, Chile, China, Colombia, Costa Rica, Egypt, India, Malaysia, Philippines and the Republic of Korea have benefited the social policy initiative for a number of countries of the Arab States region, including Egypt, Jordan, Lebanon and Morocco. The quality assurance programme in the Arab States region will also benefit from the expertise that will be provided by selected pivotal countries in Africa, Asia and Latin America. The Small and Medium-sized Enterprise project for Small Island Developing States will also draw on expertise from Brazil, Egypt and Indonesia. Similarly, the programme on the protection of traditional knowledge and innovation policy in Africa will be implemented in the context of exchanges between the participating African countries and TCDC pivotal countries, including Costa Rica, Ghana, India, Nigeria, Republic of Korea, South Africa and Thailand. The Special Unit's programme on TCDC in science and technology will continue to benefit from the capacities of TCDC pivotal countries that have acquired expertise in this critical area.

13. It should be pointed out, however, that efforts to promote the pivotal country concept and to maximize the effective use of the vast reservoir of knowledge, experience and capacities that exist in pivotal countries are constrained by the lack of accurate and up-to-date information on the types of expertise available in individual pivotal countries. A number of potential pivotal countries find it burdensome to assume this responsibility owing to the financial implications involved in undertaking initiatives to benefit a large number of countries. It should also be recognized that better coordination and joint programming could change the ad hoc manner in which TCDC initiatives are currently supported by individual pivotal countries.

14. Overcoming the above constraints requires the Special Unit for TCDC and other development partners to work more closely with pivotal countries, individually and collectively, and develop improved mechanisms that would enable and enhance the use of pivotal country capacities to promote intensified patterns of TCDC and ECDC. Development domains where a number of pivotal countries are prominent international actors, such as information and communications technology, software development, research and development, and the attraction and management of foreign direct investment, constitute logical areas for expanded South-South cooperation. This would complement the Secretary-General's information and communications technology initiative aimed at mobilizing the international development community to help to bridge the digital divide.

C. New developments in triangular cooperation

15. Donor countries are urged by the new directions report to provide third-party funding for TCDC activities through arrangements it describes as triangular cooperation. Information gathered for the present report indicates growing donor support for TCDC, particularly in regard to human resource development, research and institutional capacity-building.

16. Triangular cooperation is increasingly manifested in human resource development programmes where Southern institutions train personnel for a large number of developing countries with the support of donor countries. Noteworthy cases include Japan's third-country training arrangements with Kenya, Mexico, Singapore and Thailand. Sweden also has similar training arrangements based in Singapore and Uruguay. Canada has training arrangements with Singapore while Australia has similar arrangements in Fiji, Papua New Guinea, Samoa and Vanuatu. The growing use of Southern institutions for training affords developing countries the opportunity to have their personnel acquire knowledge and skills based on development experiences that are closer to home.

17. Triangular arrangements have also complemented South-South cooperation, particularly in research and development activities requiring a critical mass of expertise and sophisticated technology. Alliances between Southern and Northern institutions were critical to the research programme that led to the production of new rice varieties in West Africa through collaboration among African, Asian, European and North American scientists under the auspices of the West African Rice Development Association. In the course of cross-breeding African and Asian rice varieties, technical inputs from Northern institutions complemented the efforts of 17 African member institutions of the West African Rice Development Association, the International Rice Research Institute in the Philippines, the International Institute for Tropical Agriculture in Nigeria, and a similar institute in China. This trend of North-South collaboration, if nurtured and expanded, has the potential to strengthen multilateral cooperation for development, as urgently called for by the Millenium Assembly. However, efforts should be made to maintain the uniqueness of TCDC by ensuring that the management of such joint programmes remains in the hands of Southern institutions and experts.

18. Southern institutions also benefited from triangular cooperation in the period under review. In many cases, subregional and regional TCDC programmes undertaken by Southern institutions such as the South Centre, Third World Network, West African Rice Development Association and many others received support from donor countries. For example, with support from Japan, the Association of South-East Asian Nations (ASEAN) deployed a number of experts to assist Cambodia in its rural development programme. Similarly, the programme on sustainable development of the Greater Mekong Basin benefited from triangular cooperation as resources received by Mekong riparian countries from the Asian Development Bank were supplemented by additional funding from Germany, Japan and other developed countries.

19. While Southern organizations should redouble efforts to attract support from the South, another pressing need is for developing countries, either individually or collectively, to design TCDC and ECDC programmes with demonstrable impact on a large number of countries. Effective implementation of such programmes would illustrate the cost-effectiveness and other merits of triangular arrangements as compared to bilateral cooperation. Expanding the concept of triangular cooperation to include financial and other resources would also provide more entry points for donor countries and the private sector to participate more actively in TCDC initiatives.

D. Sharing knowledge and experiences

20. The Special Unit for TCDC has continued to expand South-South channels of communication, as called for by the new directions strategy. In the period under review, the TCDC information referral system (INRES) was converted, in February 2000, into a new Internet-based platform known as the Web of Information for Development (WIDE) with support from Brazil, Canada and the Republic of Korea. The new system serves as a database with information on Southern experts and institutions. It is being further developed to give more visibility to development best practices and to facilitate the documentation and transfer of development experiences among various partners in the South.

21. Based on experience gained over the past year, the Special Unit for TCDC has adopted measures to render WIDE more user-friendly and service-oriented. Work is under way to host the system on a more efficient information infrastructure, to update its content and to increase its use by TCDC focal points. The system is also being configured to serve as an integrating platform that will build a community of TCDC practice by linking and giving more visibility to other South-South initiatives, exchanges, databases and document repositories.

22. A number of development partners have continued to document best practices and lessons learned in the development process, as called for by the new directions strategy. In this effort, the Special Unit collaborated with the Caribbean Centre for Development Administration (CARICAD), FAO, Third World Network and the Third World Network of Scientific Organizations to document and publish two volumes of books on best practices and lessons in various areas, including agriculture and food security, health, environment, science and technology. These and the three volumes produced during the previous reporting period are available online via the WIDE system. With an improved infrastructure, it is anticipated that WIDE will provide more information on development best practices through linkages with other information systems of the United Nations system.

23. Fostering South-south dialogue on policy options for the South in the era of globalization has been the overarching objective of the journal, Cooperation South, published biannually by the Special Unit for TCDC. The Special Unit has greatly improved the quality of the journal and attracted prominent individuals, world leaders and policy-makers among its contributors and readers. Key issues discussed in the journal during the period under review included partnerships for development, rethinking the international financial system, South-South cooperation in science and technology, and the global conferences of the 1990s. Both Cooperation South and WIDE are accessible on the Internet at www.undp.org/tcdc/tcdc.

E. Integration of TCDC and ECDC

24. Considering the fact that the promotion of TCDC was traditionally allocated to UNDP and the promotion of ECDC was assigned to UNCTAD, the new directions strategy called for closer links between the two modalities in order to align TCDC and ECDC initiatives behind the ultimate goals of sustainable human development.

25. The strategic orientation of TCDC described earlier indicates a conscious effort on the part of various partners to integrate TCDC and ECDC through interventions designed to address a broad range of development needs within and outside the economic sphere. One remarkable example is the TCDC-ECDC nexus that has emerged between China and a group of African developing countries, encompassing technical cooperation, joint ventures, trade expansion and development assistance, including debt forgiveness. In addition, Turkish cooperation programmes, especially in countries of the Central and Eastern Europe region, have been undertaken not only for the transfer of skills and expertise but also for the expansion of trade and investment flows.

26. A number of regional programmes in the Asia and Pacific region that began as generic TCDC projects blossomed into large-scale economic cooperation arrangements. For example, the Euro-Asia Land Bridge Programme, initiated as a technical cooperation programme, is maturing into a regional development effort. Small TCDC interventions have pointed the way to the overall Greater Mekong Basin development programme, which is supported by the Asian Development Bank. The Tumen River Programme, begun as a TCDC environmental initiative, is now being developed as a major area-development undertaking. Also, the Pan American Health Organization programme to supply vaccines in the Latin America and the Caribbean region through a gradual process moved from joint procurement to collaboration on research and investment in domestic production capacity. The flagship programmes involving many developing countries and supported by UNDP and other development partners generally tend to integrate TCDC and ECDC.

27. The convergence of TCDC and ECDC is also evident in the work of FAO. For example, the Special Programme for Food Security involves medium-term twinning of agricultural institutions in developing countries for the replication of best practices, which results in the formulation of production, marketing and employment schemes that, with donor support, are turned into concrete job-creation programmes. FAO reported that triangular financing for these initiatives has reached $100 million. The ITC South-South trade promotion programme and the UNCTAD Entrepreneurship Development of Small and Medium-sized Enterprises (EMPRETEC) programme are also good examples of the integration of TCDC and ECDC.

28. It could be concluded that noteworthy progress has been made in the integration of TCDC and ECDC on the ground, but the United Nations development system has not yet geared itself to making optimal use of the potential of South-South cooperation. The potential of South-South approaches to various aspects of the work of the United Nations needs to be carefully analysed and put to full use in a better-coordinated fashion.

III. OBSERVATIONS AND RECOMMENDATIONS

29. Generally, the new directions strategy has continued to take hold in most TCDC activities. This has resulted in the forging of broader partnerships among the developing countries and the pivotal countries are leading the way in making the TCDC modality more acceptable to a wide range of countries. The strategy is contributing to capacity-

building in the developing countries to meet the challenges of globalization and liberalization although to optimize the benefits, better coordination of strategic interventions is required. The new directions strategy has also generated increased support for TCDC on the part of developed countries. Triangular cooperation is increasing and it is contributing to the cost-effective handling of development problems and greater use of the technical resources of the developing countries. However, the scope for triangular financing can be significantly enhanced by the formulation of regional and interregional cooperation programmes that are attractive to donors and in line with the development goals of developing countries.

30. The new directions strategy has contributed to the evolution of new models of TCDC involving pivotal countries, triangular cooperation, and the emphasis placed on strategic initiatives. The WIDE programme for sharing development information, coupled with a network of TCDC pivotal countries, should create greater momentum in the implementation of TCDC programmes at the subregional, regional and interregional levels. During the preparation of country programmes, UNDP resident representatives could play a key role in ensuring that the TCDC modality is selected for programmes and projects that are included in the country cooperation framework and the UNDAF.

31. The developing countries still need to take a more active role in TCDC. Pivotal countries and other partners with relatively greater capacities should advertise these capacities more systematically and devise efficient means of making their services available to their peers in the developing world. It is therefore recommended that an adequately financed special programme be designed promptly to assess the capacities of the pivotal countries and publicize them to all developing countries, UNDP country offices and bilateral aid agencies.

32. It is also recommended that, with the pivotal countries spearheading the effort, the developing countries join together to undertake additional flagship initiatives in order to build common platforms on urgent development concerns. They could use regional cooperation groups or a G-77 mechanism to initiate and coordinate the formulation and implementation of cooperation programmes not only of the flagship type but also based on other models of strategic interventions.

33. In addition, it is recommended that the role of pivotal countries be further enhanced by the United Nations development system by earmarking these countries for the implementation of additional cooperation programmes. The developed countries also need to consider making greater use of the expertise and other resources in pivotal countries in the bilateral and multilateral programmes they support.

34. New ground has been broken for facilitating greater use of information resources and knowledge-networking, but systemic weaknesses are compromising the ability to reap the anticipated benefits of the new technologies. Many problems persist in regard to communication infrastructure, education and training in information technology, compilation and updating of databases and the creation and maintenance of web sites in the developing countries. At the same time, the issue of connectivity and access to information resources available in the United Nations system and in the South must be addressed and the user-friendliness of the WIDE network must be improved. It is therefore recommended that the United Nations development system give top priority to enabling developing countries to have access to knowledge relevant to their development goals, including experiences available in the United Nations system, and to training developing-country personnel in information technology.

Notes

[1] Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 39 (A/54/39). Report of the High-level Committee on the Review of Technical Cooperation among Developing Countries, Eleventh Session (1-4 June 1999).

[2] The countries that have assumed the role of pivotal country to date are as follows: in Africa: Ghana, Mauritius, Nigeria, Senegal and South Africa; in the Arab States: Egypt and Tunisia; in Asia: China, India, Indonesia, Malaysia, Pakistan, Republic of Korea, Singapore and Thailand; in Central and Eastern Europe: Malta and Turkey; in Latin America and the Caribbean: Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Mexico, Peru and Trinidad and Tobago.